

INTRODUCTION OF H.R. 3673  
UNITED STATES-PANAMA PART-  
NERSHIP ACT OF 2000

**HON. BENJAMIN A. GILMAN**

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, February 16, 2000*

Mr. GILMAN. Mr. Speaker, I have today introduced H.R. 3673, the "United States-Panama Partnership Act of 2000."

The purpose of this legislation is to give our President authorities that he can use to seek an agreement with Panama to permit the United States to maintain a presence there sufficient to carry out counternarcotics and related missions.

This legislation is virtually identical to a bill I introduced in 1998, H.R. 4858 (105th Congress). The original cosponsors of H.R. 4858 included DENNIS HASTERT, now Speaker of the House of Representatives; CHARLIE RANGEL, Ranking Democratic Member of the Committee on Ways and Means; CHRIS COX, Chairman of the House Republican Policy Committee; BOB MENENDEZ, now Vice Chairman of the Democratic Caucus; DAVID DREIER, now Chairman of the Committee on Rules; FLOYD SPENCE, Chairman of the Committee on National Security; HENRY HYDE, Chairman of the Committee on the Judiciary; DAN BURTON, Chairman of the Committee on Government Reform and Oversight; and BILL MCCOLLUM, Chairman of the Subcommittee on Crime of the Committee on the Judiciary.

I am introducing H.R. 3673 because Panama and the United States today stand at a crossroads in the special relationship between our two peoples that dates back nearly 100 years. As the new century dawns, our two nations must decide whether to end that relationship, or renew and reinvigorate it for the 21st century. We must decide, in other words, whether our nations should continue to drift apart, or draw closer together.

In the case of Canada and Mexico—the other two countries whose historical relationship with the United States most closely parallels Panama—there has been a collective decision to draw our nations closer together. This decision, embodied in the North American Free Trade Agreement (NAFTA), was grounded in a recognition that, in today's world, our mutual interests are best served by increased cooperation and integration.

The legislation I am introducing today offers Panama the opportunity to join Canada and Mexico in forging a new, more mature, mutually beneficial relationship with the United States. In exchange, the legislation asks Panama to remain our partner in the war on drugs by agreeing to host a U.S. presence, alone or in conjunction with other friendly countries, sufficient to carry out counternarcotics and related missions.

In accordance with the Panama Canal Treaties of 1977, the United States terminated its military presence in Panama at the end of

1999, and Panama assumed full control of the Panama Canal and all former U.S. military installations.

A 1977 protocol to the Treaties provides that the United States and Panama may agree to a U.S. presence in Panama after 1999. For three years, U.S. and Panamanian negotiators sought to reach just such an agreement. On September 24, 1998, however, it was announced that these negotiations had failed and that the U.S. military would withdraw from Panama as scheduled.

This was a regrettable turn of events for both of our countries. The United States and Panama both benefited in many ways from the U.S. presence in Panama. For the United States, that presence provided a forward platform from which to combat narcotraficking and interdict the flow of drugs, which threatens all countries in this hemisphere. These benefits to the United States cannot be duplicated at the so-called "forward operating locations" that the Administration is seeking to set up in several countries in Latin America and the Caribbean.

For Panama, the U.S. presence added an estimated \$300 million per year to the local economy, fostered economic growth by contributing to a stable investment climate, and helped deter narcoterrorism from spilling over into Panama.

In retrospect, the Clinton Administration acted precipitously in 1995 when it rejected Panama's offer to negotiate an extension of our traditional presence in exchange for a package of benefits to be mutually agreed upon. In the wake of that decision, the effort to establish a Multinational Counternarcotics Center failed to gain broad support across Panama's political spectrum.

My legislation returns to, and builds upon, the concept proposed by Panama in 1995 of permitting a U.S. presence in Panama beyond 1999 in exchange for a package of benefits. The legislation also accepts the idea first proposed by Panama of permitting counternarcotics operations from Panama to take under multinational auspices.

The legislation includes four specific provisions of benefit to Panama.

First, and most importantly, the bill offers to bring Panama into the first rank of U.S. trade partners by giving Panama the same preferential access to the U.S. market that Canada and Mexico currently enjoy. The economic value of this benefit for Panama is difficult to quantify today, but over time it should lead to significantly increased investment and employment there, which would directly benefit all Panamanians.

Second, it offers a scholarship program for deserving Panamanian students to study in the United States.

Third, it offers assistance in preparing for the construction of a new bridge across the Panama Canal.

Fourth, it offers assistance in preparing for the construction of a new sewage treatment plant for Panama City.

Taken together, these specific provisions give substance to the larger promise of this legislation, which is to renew and reinvigorate the special relationship between our two peoples as we enter the 21st century, provided the people of Panama decide they want to remain our partner.

Under Article I, section 7 of the U.S. Constitution, this bill can only originate in the House of Representatives. The list of original cosponsors of the version of this bill that I introduced in 1998, H.R. 4858, makes clear that, if brought to a vote on the House floor, this legislation would pass the House of Representatives. I am confident that the Senate would join the House in approving this measure, provided that the people of Panama indicate that they too wish to strengthen relations between our two countries along the lines proposed in the bill.

It is my sincere hope that Panama will accept this invitation to reinvigorate the special relationship between our two peoples. I recognize, however, that the right to make this choice rests with the people of Panama, and naturally our nation will respect their decision.

SUMMARY OF UNITED STATES-PANAMA  
PARTNERSHIP ACT OF 2000

INTRODUCED FEBRUARY 16, 2000

Offers trade and other benefits to Panama if the President certifies to Congress that the United States and Panama have reached an agreement permitting the United States to maintain a presence at four installations in Panama (Howard Air Force Base, Fort Kobbe, Rodman Naval Station, and Fort Sherman), alone or in conjunction with other friendly countries, sufficient to carry out necessary counternarcotics, search and rescue, logistical, training, and related missions for a period of not less than 15 years.

The benefits that would be made available to Panama include:

1. NAFTA-equivalent treatment under U.S. trade laws for exports from Panama.
2. Assistance from the U.S. Trade and Development Agency for design, planning, and training in connection with construction of a new bridge across the Panama Canal.
3. Assistance from the U.S. Trade and Development Agency for design, planning, and training in connection with construction of a new sewage treatment plant for Panama City.
4. \$2 million per year in scholarships for deserving students from Panama to study in the United States.

The NAFTA-equivalent treatment for exports from Panama would be made available unilaterally by the United States during a three-year transition period. Prior to the conclusion of the transition period, the United States and Panama would negotiate and enter into an agreement providing either for Panama's accession to NAFTA, or for the establishment of a bilateral free trade arrangement comparable to NAFTA. Free trade benefits under this agreement would be guaranteed for a period at least as long as the period during which the U.S. is permitted to maintain a military presence in Panama.